

DEWEY, BALLANTINE, BUSHBY, PALMER & WOOD

140 BROADWAY

NEW YORK 10005

1775 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, D.C. 20006
TELEPHONE: (202) 862-1000
TELECOPIER: (202) 862-1095
TELEX: 897070

101 PARK AVENUE, NEW YORK 10178
TELEPHONE: (212) 820-1100 TELECOPIER: (212) 820-1403
TELEX: 961289 OR 12-6825
CABLE ALL OFFICES: DEWBALAW

333 SOUTH HOPE STREET
LOS ANGELES, CALIFORNIA 90071
TELEPHONE: (213) 626-3399
TELECOPIER: (213) 626-0562

5355 TOWN CENTER ROAD
BOCA RATON, FLORIDA 33486
TELEPHONE: (407) 391-8399
TELECOPIER: (407) 391-8798

INTERSTATE COMMERCE COMMISSION

DEC 22 1988 2-1 5 PM
1 6102
RECORDATION NO. _____ File 1425

December 22, 1988

No. 8-357A033

Date ... DEC. 22, 1988

Fee \$ 13.00

ICC Washington, D. C.

Ms. Noreta R. McGee
Secretary
Interstate Commerce Commission
12th and Constitution Avenue, N.W.
Room 1324
Washington, D.C.

Dear Secretary:

I have enclosed an original and one copy of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Sublease, a primary document, dated December 1, 1988.

The names and addresses of the parties to the documents are as follows:

The Connecticut National Bank
777 Main Street
Hartford, Connecticut 06115

and

Massachusetts Bay Transportation
Authority
Transportation Building
Ten Park Plaza
Massachusetts 02116

A description of the equipment covered by the document is attached as Annex A.

A fee of \$13.00 is enclosed. Please stamp and return the original not needed by the Commission for recordation to the undersigned.

Ms. Noreta R. McGee
December 22, 1988
Page 2

A short summary of the document to appear in the index follows:

Sublease Agreement between The
Connecticut National Bank, Trustee and
Sublessor, and Massachusetts Bay
Transportation Authority, Sublessee,
dated as of December 1, 1988, covering 30
Messerschmitt-Boelkow-Blohm Commuter Rail
Coaches.

Very truly yours,


E. Jane Wallace

Enclosures

ANNEX A

Thirty (30) commuter rail coaches manufactured by Messerschmitt-Boelkow-Blohm GmbH as described below (the "Equipment"), together with all additions, attachments, accessions and substitutions to or for the Equipment and in any proceeds of the Equipment, and each having the A.A.R. Mechanical Designation of "PA":

Manufacturer's
Identification
Number

02-142
02-143
02-144
02-145
02-146
02-147
02-148
02-149
02-150
02-151
02-152
02-153
02-154
02-155
02-156

02-125
02-126
02-127
02-128
02-129
02-130
02-131
02-132
02-134
02-135
02-136
02-137
02-138
02-139
02-133

INTERSTATE COMMERCE COMMISSION

DEC 22 1988 2:15 PM

1 6102

RECORDATION NO. (Rev. 1-25)

SUBLEASE AGREEMENT

Dated as of December 1, 1988

between

THE CONNECTICUT NATIONAL BANK, not in its
individual capacity but solely as trustee
Sublessor

and

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY
Sublessee

30 Messerschmitt - Boelkow - Blohm Commuter Rail Coaches

SUBLEASE AGREEMENT

TABLE OF CONTENTS

(This Table of Contents is not a part of the Sublease Agreement and is only for convenience of reference.)

	<u>Page</u>
ARTICLE I- DEFINITIONS	1
Section 1.1. Definitions	1
Section 1.2. Interpretations	1
ARTICLE II- REPRESENTATIONS	1
Section 2.1. Representations by Sublessor	1
Section 2.2. Representations by Sublessee	2
ARTICLE III- DEMISING CLAUSE	3
Section 3.1. Demise of the Equipment	3
Section 3.2. Net Sublease	4
ARTICLE IV- QUIET ENJOYMENT; SUBRENTAL PROVISIONS	4
Section 4.1. Quiet Enjoyment	4
Section 4.2. Rental Payments	4
Section 4.3. Early Termination Upon Event of Nonappropriation; Notice	5
Section 4.4. Tax Exemption Covenant	5
Section 4.5. Payment of Fees and Expenses	6
ARTICLE V- SPECIAL COVENANTS	6
Section 5.1. No Warranty of Condition or Suitability by Sublessor	6
Section 5.2. Inspection of the Equipment	6
Section 5.3. Annual Statement	6
Section 5.4. Further Assurances and Corrective Instruments	6
Section 5.5. Contract Assistance	7
ARTICLE VI- MAINTENANCE; OPERATION; REPLACEMENT OF PARTS; MODIFICATION; TAXES; INSURANCE AND OTHER CHARGES	9
Section 6.1. Maintenance of Equipment by Sublessee	9
Section 6.2. Operation	9

Section 6.3.	Replacement of Parts	10
Section 6.4.	Modification or Alteration	11
Section 6.5.	Taxes, Other Governmental Charges and Utility Charges	12
Section 6.6.	Provisions Regarding Insurance ...	13
Section 6.7.	Advances	14
Section 6.8.	Certificates, Etc.	14
Section 6.9.	Additional Insurance	15
ARTICLE VII- EVENT OF LOSS		15
Section 7.1.	Notice of Damage or Loss; Election.	15
Section 7.2.	Payment of Municipal Sublease Stipulated Loss Value.....	15
Section 7.3.	Substitution	16
ARTICLE VIII- APPLICATION OF PROCEEDS		18
Section 8.1.	Application of Insurance Proceeds in an Event of Loss	18
Section 8.2.	Application of Insurance Proceeds in a Casualty not Constituting an Event of Loss.....	19
Section 8.3.	Application of Payments from Governmental Authorities	19
Section 8.4.	Application During Existence of Municipal Sublease Default or Event of Municipal Sublease Default	19
ARTICLE IX- LIENS		20
ARTICLE X- ASSIGNMENT, RESUBLEASING, INDEMNIFICATION AND SELLING		20
Section 10.1.	Assignment and Resubleasing	20
Section 10.2.	Release and Indemnification Covenants	21
Section 10.3.	[Reserved]	21
Section 10.4.	Assignment by Sublessor	21
ARTICLE XI- EVENTS OF DEFAULT AND REMEDIES		21
Section 11.1.	Events of Default and Default Defined	21
Section 11.2.	Remedies on Municipal Sublease Event of Default or Event of Nonappropriation	23
Section 11.3.	No Remedy Exclusive	24

Section 11.4.	Agreement to Pay Attorneys' Fees and Expenses	24
Section 11.5.	No Additional Waiver Implied by One Waiver	24
Section 11.6.	Termination of Sublease Agreement.	24
ARTICLE XII-	PREPAYMENT OF RENTAL PAYMENTS	25
Section 12.1.	Prepayment of Rental Payments	25
Section 12.2.	Amount and Notice of Prepayment ..	25
ARTICLE XIII-	OPTION TO PURCHASE	26
ARTICLE XIV-	RETURN	26
Section 14.1.	Obligation to Return	26
Section 14.2.	Logs and Other Records	26
Section 14.3.	Condition Upon Return	26
Section 14.4.	Repairs	26
ARTICLE XV-	MISCELLANEOUS	27
Section 15.1.	Performance of Sublessor	27
Section 15.2.	Notices	27
Section 15.3.	Binding Effect	28
Section 15.4.	Severability	28
Section 15.5.	Amendments, Changes and Modifications	28
Section 15.6.	Execution in Counterparts	28
Section 15.7.	Applicable Law	29
Section 15.8.	Captions	29
Section 15.9.	Continuing Obligation	29
TESTIMONIUM	30
SIGNATURES AND SEALS	30
SCHEDULE A -	Rental Payments	A-1
SCHEDULE B -	Municipal Sublease Stipulated Loss Values	B-1
SCHEDULE C -	Sublessor's Cost	C-1

THIS SUBLEASE AGREEMENT dated as of December 1, 1988 is executed by and between THE CONNECTICUT NATIONAL BANK, a national banking association not in its individual capacity but solely as ETA Trustee under the Equipment Trust Agreement, as sublessor, and MASSACHUSETTS BAY TRANSPORTATION AUTHORITY, a body politic and corporate and a political subdivision of the Commonwealth of Massachusetts, as sublessee.

W I T N E S S E T H :

WHEREAS, Sublessor desires to sublease the Equipment to Sublessee, and Sublessee desires to sublease the same from Sublessor, upon the terms and conditions and for the purposes set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Capitalized terms and phrases used herein shall for all purposes of this Sublease Agreement, including the preceding recitals, have the respective meanings specified in Schedule X hereto unless the context clearly otherwise requires.

Section 1.2. Interpretations. All references in this instrument to designated "Articles," "Sections" and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions of this instrument as originally executed. The words "hereof," "herein," "hereto," "hereby," and "hereunder" refer to this entire Sublease Agreement. Words importing persons include firms, associations and corporations, all words importing the singular number include the plural number and vice versa; and all words importing the masculine gender include the feminine gender.

ARTICLE II

REPRESENTATIONS

Section 2.1. Representations by Sublessor. Sublessor represents and warrants to Sublessee that:

(a) Sublessor is a national banking association organized and existing under the laws of the United States. Sublessor is authorized to enter into the transactions contemplated by this Sublease Agreement and to carry out its obligations hereunder. Sublessor has been duly authorized to execute and deliver this Sublease Agreement. Sublessor agrees that it will do or cause to be done all things necessary to preserve and keep in full force and effect its existence.

(b) Sublessor has acquired a leasehold interest in the Equipment pursuant to the Municipal Lease, has not subjected the Equipment to any liens or encumbrances and, by this Sublease Agreement, has subleased the Equipment to Sublessee.

(c) The execution and delivery of this Sublease Agreement, the consummation of the transactions described herein, and the fulfillment of or compliance with the terms and conditions of this Sublease Agreement will not conflict with or result in a breach of the terms, conditions or provisions of any corporate restriction or any agreement or instrument to which Sublessor is now a party or by which it is bound, or constitute a default under any of the foregoing.

Section 2.2. Representations by Sublessee.
Sublessee represents and warrants to Sublessor that:

(a) Sublessee is a public body corporate and politic duly organized and validly existing under the Constitution and laws of the Commonwealth of Massachusetts.

(b) Sublessee qualifies as a political subdivision of a State of the United States for purposes of Section 103(c)(1) of the Code and Section 3(a)(2) of the Securities Act and the interest component of each payment with respect to Certificates will be treated as interest excluded from gross income for Federal income tax purposes under the provisions of Section 103 of the Code.

(c) Sublessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic.

(d) Sublessee is authorized under the Constitution and laws of the Commonwealth of Massachusetts to enter into this Sublease Agreement and the transactions described herein and to perform all of its obligations hereunder.

(e) Sublessee has been duly authorized to execute and deliver this Sublease Agreement under the terms and provisions of a resolution of its Board; Sublessee has complied with such public bidding requirements as may be applicable to this Sublease Agreement and the leasing by Sublessee of the Equipment hereunder; and this Sublease Agreement has been duly executed and delivered by Sublessee.

(f) During the Municipal Sublease Term, the Equipment will be used by Sublessee only for the purpose of performing one or more essential governmental or proprietary functions of Sublessee consistent with the permissible scope of Sublessee's authority.

(g) Sublessee reasonably believes on the date hereof that funds are available or can be obtained sufficient to pay all Rental Payments and other sums due hereunder during the Municipal Sublease Term (except for action to be taken from time to time by the Advisory Board and the general court of the Commonwealth).

(h) Sublessee's Fiscal Period begins on July 1 and ends on June 30. Sufficient funds have been appropriated to pay Rental Payments and any other sums due hereunder through Sublessee's Fiscal Period ending on June 30, 1990.

(i) The execution and delivery of this Sublease Agreement, the consummation of the transactions described herein, and the fulfillment of or compliance with the terms and conditions of this Sublease Agreement will not conflict with or result in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which Sublessee is now a party or by which it is bound, or constitute a default under any of the foregoing.

(j) No Event of Loss nor any event which with the passage of time would become an Event of Loss has occurred with respect to any Item of Equipment.

ARTICLE III

DEMISING CLAUSE

Section 3.1. Demise of the Equipment. Sublessor demises, rents, subleases and sublets to Sublessee, and Sublessee rents, subleases, hires and purchases from Sublessor for the Rental Payments and upon and subject to the terms and conditions herein set forth, all rights and interests of Sublessor in the Equipment, subject to Permitted Liens, for a term commencing on the Closing Date

and ending on January 15, 2014 unless sooner terminated in the manner provided for herein.

Section 3.2. Net Sublease. This Sublease Agreement shall be deemed and construed to be a "net sublease," and Sublessee shall pay absolutely net during the Municipal Sublease Term the Rental Payments and all other payments required hereunder, free of any deductions, and without abatement, deduction or set-off, for costs, fees, charges and expenses related to the installation, use, possession, taxes, operation, maintenance, repair and return of the Equipment, insurance premiums and comparable costs, other than those deductions herein expressly provided.

ARTICLE IV

QUIET ENJOYMENT; SUBRENTAL PROVISIONS

Section 4.1. Quiet Enjoyment. Sublessor will maintain the Municipal Lease in full force and effect in accordance with its terms and will not take any action, other than pursuant to Sections 5.2, 6.7 and 11.2 of this Sublease Agreement, to prevent Sublessee from having quiet and peaceable possession and enjoyment of the Equipment during the Municipal Sublease Term and will, at the request of Sublessee, and at its cost, cooperate with Sublessee in order that Sublessee may have quiet and peaceable possession and enjoyment of the Equipment.

Section 4.2. Rental Payments. (a) Sublessee shall pay a Rental Payment in lawful money of the United States of America on each Rental Payment Due Date during the Municipal Sublease Term in an amount determined pursuant to Section 4.2(b) hereof, provided that such obligation shall, with respect to each Rental Payment, be subject to the condition that an Appropriation shall have occurred with respect to the Fiscal Period in which the Rental Payment Due Date for such Rental Payment occurs.

(b) Each Rental Payment to be paid by Sublessee shall be in an amount sufficient to pay the principal and interest components becoming due on Certificates Outstanding on the Rental Payment Due Date on which such Rental Payment becomes due, minus any other moneys available therefor in the Certificate Fund. As of the date hereof, Sublessor and Sublessee anticipate that the Rental Payment to be paid by Sublessee on each Rental Payment Due Date shall be the amount in the "Rental Payment" column set forth in Schedule A hereto opposite such Rental Payment Due Date. Schedule A hereto may be amended from time to time in

accordance with Section 7.2 and Section 12.2 hereof. Each Rental Payment shall constitute payment under this Sublease Agreement for the six-month period ending on the Rental Payment Due Date on which such Rental Payment is made (except in the case of the Rental Payment Due Date occurring on July 15, 1989 in which case such Rental Payment will constitute payment for the seven-month period then ended).

Section 4.3. Early Termination upon Event of Non-appropriation; Notice. (a) Upon an Event of Non-appropriation, this Sublease Agreement shall terminate and Sublessee shall no longer be obligated to make payment of any Rental Payments becoming due in the Fiscal Period in respect of which an Appropriation shall not have occurred and all Fiscal Periods thereafter, without prejudice to any obligation of Sublessee under this Sublease Agreement (including, without limitation, any other payment obligation) arising prior to such termination.

(b) If at any time an Appropriation has not occurred with respect to the next ensuing Fiscal Period, Sublessee shall give written notice of that fact to Sublessor at least thirty (30) days prior to the first day of such Fiscal Period. If a budget of the Authority that does not constitute an Appropriation with respect to the next ensuing Fiscal Period has been adopted by the Board, Sublessee shall give written notice of such fact to Sublessor within thirty (30) days of its adoption.

Section 4.4. Tax Exemption Covenant. Sublessee and Sublessor intend that the portion of each Rental Payment that is equal to the interest components becoming due on Certificates on the Rental Payment Due Date on which such Rental Payment becomes due ("Interest") shall be interest excluded from gross income for Federal income tax purposes. In order to maintain the exclusion from gross income of the Interest for Federal income tax purposes, Sublessee covenants to comply with all requirements of the Code that must be satisfied subsequent to the issuance of an obligation in order that interest thereon be, or continue to be, excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code. Without limiting the generality of the foregoing, Sublessee covenants (i) that it will not make or permit any use of any funds that are or would be treated as proceeds of the Municipal Lease and this Agreement or of the Certificates for purposes of Section 148 of the Code that would cause Interest to fail or cease to be excluded from gross income for Federal income tax purposes, and (ii) that it will comply with the requirements of Section 148(f) of the Code so as to prevent the Municipal Lease and this Sublease Agreement, or the Certificates, from being determined to be

arbitrage bonds. In order to implement the foregoing covenants, Sublessee agrees to comply with any MBTA Investment Instructions and Rebate Instructions delivered to it by Special Counsel. Sublessee also covenants that it will not take any action that would cause Interest to be an item of tax preference for purposes of the alternative minimum tax imposed by the Code on individuals and corporations. The covenants set forth in this Section 4.4 shall survive the expiration or termination of this Sublease Agreement.

Section 4.5. Payment of Fees and Expenses. Sublessee shall pay an amount equal to the fees and expenses (including reasonable counsel fees) of ETA Trustee under the Equipment Trust Agreement, such fees and expenses to be paid directly to ETA Trustee for its own account as and when such fees and expenses become due and payable.

ARTICLE V

SPECIAL COVENANTS

Section 5.1. No Warranty of Condition or Suitability by Sublessor. Sublessor makes no warranty, either express or implied, as to the Equipment or that it will be suitable for the purposes or needs of Sublessee.

Section 5.2. Inspection of the Equipment. Sublessor and its duly authorized agent shall have the right at all reasonable times to examine and inspect the Equipment. The rights set forth in this Section shall be exercised only upon reasonable notice to Sublessee and such examinations and inspections shall be subject to reasonable safety requirements.

Section 5.3. Annual Statement. Sublessee shall each year have an annual audit made by its regular independent certified public accountants and furnish Sublessor upon request (when such information is made publicly available) with a balance sheet and statement of income and surplus showing its financial condition at the close of such Fiscal Period and the results of its operations for such Fiscal Period accompanied by a certificate or opinion of said accountants. In addition, Sublessee shall annually provide Sublessor with such other financial information relating to Sublessee and the Commonwealth as may be reasonably requested by Sublessor.

Section 5.4. Further Assurances and Corrective Instruments. Subject to Article X of the Equipment Trust Agreement, Sublessor and Sublessee will execute, acknowledge

and deliver, or cause to be executed, acknowledged and delivered, from time to time, such amendments and supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Equipment hereby subleased or intended so to be or for carrying out the intention of or facilitating the performance of this Sublease Agreement.

Section 5.5. Contract Assistance. Sublessee shall, at all times until all the Equipment shall have been returned or purchased, and all other obligations of Sublessee under this Sublease Agreement shall have been satisfied, fully and promptly exercise all rights and pursue all claims and remedies which are available to Sublessee against the Commonwealth with respect to the payment by the Commonwealth of, or the reimbursement of Sublessee by the Commonwealth with respect to, Rental Payments, including, without limitation, rights, remedies or claims from time to time possessed by Sublessee under the Contract for Financial Assistance and/or under Sections 12, 13 or 28 of the Act (such specific statutory provisions or other statutory provisions from time to time providing rights, claims or remedies in favor of Sublessee as against the Commonwealth with respect to Rental Payments which are substantially equivalent thereto are collectively referred to herein as the "Contract Assistance Provisions"). Without limitation to the foregoing, Sublessee agrees with Sublessor as follows:

(a) Sublessee shall in a timely fashion take all lawful actions not in violation of its statutory obligations to cause an Appropriation to be made for each of its Fiscal Periods during the Municipal Sublease Term;

(b) Sublessee shall in a timely fashion in each Fiscal Period submit to the Advisory Board an itemized budget which includes in the line item thereof in which rental payments are shown an amount sufficient to pay one hundred percent of its estimated current expenses shown in such line item for such Fiscal Period including one hundred percent of the Rental Payments; provided, however, that Sublessee may show separately in such line item a reduction for any amount to be received in such Fiscal Period pursuant to the Contract for Financial Assistance or any other financial assistance arrangements with the Commonwealth or others.

(c) Promptly after becoming aware that the Rental Payments payable hereunder in any Fiscal Period is or shall be greater than the Rental Payments previously budgeted for such Fiscal Period, Sublessee shall take all lawful actions to include or cause to be included a supplemental budget for such Fiscal Period covering the amount by which such

aggregate actual amount of Rental Payments exceeds such previously budgeted aggregate amount; and

(d) Sublessee will promptly submit to the Treasurer of the Commonwealth all reports, requests, certificates or other instruments required to obtain payment from the Commonwealth under the Contract Assistance Provisions and under the Contract for Financial Assistance.

If prior to any Rental Payment Due Date Sublessee has Actual Knowledge that it will be without funds sufficient to pay in full the Rental Payment due on such Rental Payment Due Date, Sublessee shall immediately execute and deliver to the Treasurer of the Commonwealth a certification under Sections 12 or 13 of the Act calling for the payment by the Commonwealth to Sublessee of the net cost of service consisting of that portion of the Rental Payment for which Sublessee lacks sufficient funds. If the Commonwealth does not promptly pay the amount so certified, Sublessee shall promptly and diligently proceed against the Commonwealth through the use of all appropriate judicial remedies to obtain payment of the amount so certified.

ARTICLE VI

MAINTENANCE; OPERATION; REPLACEMENT
OF PARTS; MODIFICATION; TAXES;
INSURANCE AND OTHER CHARGES

Section 6.1. Maintenance of Equipment by Sublessee. During the Municipal Sublease Term and the storage period referred to in Section 14.1, Sublessee, at no expense to Sublessor, shall maintain, inspect, service, repair, overhaul and test, or cause to be maintained, inspected, serviced, repaired, overhauled and tested, each Item of Equipment so as to keep such Item of Equipment in good operating condition, ordinary wear and tear from the careful and proper use thereof excepted, otherwise in conformity with the operating, running, maintenance and repair manuals, instructions and service bulletins furnished by the Manufacturer or by any subcontractor or supplier of the Manufacturer, and in accordance with Sublessee's standard practices for similar equipment, which practices shall be deemed to include without limitation Sublessee's maintenance program for the Equipment, as such program may be from time to time in effect. Sublessee shall maintain all records, logs and other materials required by all Governmental Authorities to be maintained in respect of the Equipment and shall promptly furnish to Sublessor upon Sublessor's request such information as may be required to enable Sublessor to file any reports required to be filed with any Governmental Authority as a result of Sublessor's interest in any Item of Equipment.

Section 6.2. Operation. (a) Sublessee shall not permit any Item of Equipment to be maintained, serviced, repaired, overhauled, tested, used or operated in violation of any applicable law, rule, regulation or order of any Governmental Authority, or in violation of any license or regulation relating to any Item of Equipment issued by any such Governmental Authority; provided that Sublessee may contest in good faith the validity thereof in any reasonable manner which does not adversely affect Sublessor and which is consistent with and does not impair the continuance in full force and effect of any insurance required to be maintained pursuant to Section 6.6 hereof. If any such law, rule, regulation or order requires alteration of any Item of Equipment, Sublessee will comply therewith or cause such compliance at no expense to Sublessor, and will maintain such Item of Equipment in proper operating condition under such law, rule, regulation or order; provided that Sublessee may contest in good faith the validity thereof in any reasonable manner which does not adversely affect Sublessor and which is

consistent with any insurance required to be maintained pursuant to Section 6.6 hereof.

(b) Sublessee agrees that (i) it will not operate or locate any Item of Equipment, or suffer any Item of Equipment to be operated or located, in any area or on any route or in any manner excluded from coverage by any insurance required by the terms of Section 6.6 hereof and (ii) it will not operate the Equipment at any time that any Municipal Sublease Event of Default described in Section 11.1(f) shall have occurred and be continuing.

(c) Sublessor agrees to take, at Sublessee's request and at no expense to Sublessor, such reasonable actions as may be appropriate to comply with all laws, rules, regulations and orders applicable to Sublessor and necessary to continue the operation of the Equipment to the extent that such actions cannot be taken by Sublessee on behalf of Sublessor.

Section 6.3. Replacement of Parts. Sublessee, at no expense to Sublessor, will promptly replace all Parts which may from time to time become worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or permanently rendered unfit for use for any reason whatsoever. In addition, Sublessee may remove in the ordinary course of maintenance, service, repair, overhaul or testing and at no expense to Sublessor, any Parts, whether or not worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or permanently rendered unfit for use; provided that Sublessee will replace such Parts as promptly as possible and at no expense to Sublessor. All replacement Parts immediately prior to installation on the Equipment shall be free and clear of all Liens other than Permitted Liens, and shall be in as good operating condition as, and shall have a value and utility at least equal to, the Parts replaced, assuming such replaced Parts were in the condition and repair required to be maintained by the terms hereof; provided, however, that Sublessee shall have the right to install temporary replacement Parts pending completion of permanent repairs or installation of permanent replacement Parts, in which event Sublessee shall install permanent replacement Parts complying with the requirements of this Section 6.3 as soon as reasonably possible and in any event prior to the expiration or other termination of the Municipal Sublease Term. Subject to the provisions of Section 6.4 hereof, all Parts at any time removed from any Item of Equipment shall remain subject to the Municipal Lease and this Sublease Agreement, no matter where located, until such time as any such Part shall be replaced by Parts (i) which have been incorporated or installed in or attached to the Item of

Equipment from which such replaced Parts were removed and (ii) which meet the requirements for permanent replacement Parts specified above. Immediately upon any replacement Part becoming incorporated or installed in or attached to such Item of Equipment as above provided, without further act, (a) such replacement Part shall become subject to the Municipal Lease and this Sublease Agreement and be deemed part of such Item of Equipment for all purposes hereof to the same extent as the Part originally incorporated or installed in or attached to such Item of Equipment and (b) the replaced Part shall thereupon no longer be subject to the leasehold interest of Sublessor created under the Municipal Lease and shall no longer be deemed a "Part" hereunder. Sublessee, at no cost or expense to Sublessor, will take such action as may be necessary or appropriate to create, maintain or preserve the security interest granted under the Equipment Trust Agreement with respect to such replacement Parts.

Section 6.4. Modification or Alteration.

(a) Sublessee, at no expense to Sublessor, will make such alterations and modifications in and additions to the Equipment as may be required from time to time (regardless upon whom such requirements are by their terms otherwise imposed) to meet all requirements of applicable law; provided, however, that Sublessee may contest in good faith the validity of such requirements in any reasonable manner which does not adversely affect Sublessor and which is consistent with and does not impair the continuance in full force and effect of any insurance required to be maintained pursuant to Section 6.6 hereof. In addition, Sublessee, at no expense to Sublessor, may make from time to time such alterations, modifications and additions to any Item of Equipment as Sublessee deems desirable in the proper conduct of its business, including removal of Parts which Sublessee deems obsolete or no longer appropriate or suitable for use in the Equipment (such Parts hereinafter referred to as "Obsolete Parts"); provided that no such alteration, modification, removal or addition changes the basic use or function of the Equipment or diminishes the value, utility, remaining useful life, residual value or condition of such Item of Equipment below the value, utility, remaining useful life, residual value and condition thereof immediately prior to such alteration, modification, removal or addition, assuming such Item of Equipment was then in the condition required to be maintained by the terms of this Sublease Agreement. Except as otherwise set forth in the next succeeding sentence, title to all appliances, parts, instruments, appurtenances, accessories, furnishings and other equipment of whatever nature incorporated or installed in or attached to or added to such Item of Equipment as the result of any such alteration, modification or addition

(hereinafter, the "Additions") shall, without further act, no longer be subject to the Municipal Lease and this Sublease Agreement if the Additions can be readily removed from such Item of Equipment without diminishing or impairing the value, utility, remaining useful life, residual value or condition which such Item of Equipment would have had at such time had the alteration, modification, or addition not occurred. The following shall, without further act, become subject to the Municipal Lease and this Sublease Agreement: (i) all Additions which cannot be removed in the manner described in the immediately preceding sentence, (ii) replacement Parts referred to in Section 6.3, (iii) any and all Parts installed on, and Additions and replacements made to, any Item of Equipment which are required for the operation or use of such Item of Equipment by the Interchange Rules of the Association of American Railroads, if applicable, or by the applicable regulations of the Department of Transportation, the Interstate Commerce Commission or any other governmental authority, and (iv) Additions intended to enhance the performance or operation of any Item of Equipment; provided that so long as no Municipal Sublease Default or Event of Municipal Sublease Default shall have occurred and be continuing, Sublessee may, at any time during the Municipal Sublease Term, remove any Addition from such Item of Equipment; provided that (i) such Addition is in addition to, and not in replacement of or substitution for, any such Item of Equipment or any Part, (ii) such Addition is not required to be incorporated or installed in or attached or added to such Item of Equipment pursuant to the terms of Section 6.1 or Section 6.3 or the first sentence of this Section 6.4 and (iii) such Addition can be readily removed from such Item of Equipment without diminishing or impairing the value, utility, remaining useful life, residual value or condition which such Item of Equipment would have had at such time had such alteration, modification, or addition not occurred. Upon the removal by Sublessee of any Addition as above provided, such Addition shall, without further act, no longer be subject to the Municipal Lease and this Sublease Agreement and such Addition shall no longer be deemed a "Part" hereunder. Any Addition not removed by Sublessee as above provided prior to the return of such Item of Equipment to Sublessor hereunder shall remain subject to the leasehold interest of the Sublessor.

(b) The Sublessor shall not bear any liability or cost for any alteration, modification or addition to any Item of Equipment or any Part.

Section 6.5. Taxes, Other Governmental Charges and Utility Charges. The parties to this Sublease Agreement contemplated that the Equipment will be used for a

governmental or proprietary purpose of Sublessee and, therefore, that the Equipment will be exempt from all taxes presently assessed and levied with respect to personal property. In the event the use, possession or acquisition of the Equipment is found to be subject to taxation in any form Sublessee will pay during the Municipal Sublease Term, as the same respectively become due, all taxes, fees, assessments and charges of any kind whatsoever that may at any time be assessed or levied against or imposed upon or with respect to the Equipment (and/or any equipment or other property acquired by Sublessee in substitution for, as a renewal or replacement of, or as a modification, improvement or addition to, the Equipment) as well as all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Equipment) by any Federal, state or local government or taxing authority. In the event of the levying, assessment or imposition of any such taxes, fees or charges on or with respect to the Equipment, Sublessee shall promptly notify Sublessor of the same and shall provide proof of payment or a sustained protest.

Section 6.6. Provisions Regarding Insurance.

(a) Sublessee, at no expense to Sublessor, will maintain or cause to be maintained at all times during the Municipal Sublease Term and the storage period referred to in Section 14.1 public liability insurance including passenger legal liability, personal injury liability, contractual liability and property damage coverage. Such insurance shall be in such amounts and with such insurance companies as is consistent with prudent industry practice and, in any event, subject to commercial availability; provided that such insurance companies must have a Best rating of at least "B+" or, if not subject to Best rating, must be of financial strength comparable to that required for a Best "B+" rating. Such amounts of insurance shall not be less than such insurance coverage carried by, and the related deductibles or retentions shall not be greater than deductibles or retentions of, commuter rail systems of comparable size to that of the Sublessee. All such policies of insurance and all policies taken out in substitution or replacement of such policies shall (i) name Sublessor (in its individual and trust capacities) as an additional insured, as its interest may appear, (ii) provide that no cancellation (including for nonpayment of premium) or material change of coverage be effective until at least 30 days after notice thereof has been mailed to Sublessor and any other named insureds and (iii) provide that no breach of warranty on the part of Sublessee or other action of Sublessee shall impair the rights of Sublessor under such policies. If during the last five years of the Municipal Sublease Term, insurance is

obtained on a claims-made basis, Sublessee shall continue such coverage in force for three years following the expiration of the Municipal Sublease Term, with the Sublessor remaining as an additional insured.

(b) Sublessee, without expense to Sublessor, will maintain or cause to be maintained at all times during the Municipal Sublease Term and the storage period referred to in Section 14.1 all-risk insurance covering loss or damage to the Equipment and Parts which is of such type, and in such amounts (but in any event not less than \$75 million), with such deductibles or retentions, as insurance coverage carried by commuter rail systems of comparable size to that of Sublessee, and with such insurance companies, as is usually carried by commuter rail systems of comparable size to that of Sublessee and, in any event, subject to commercial availability; provided that such insurance companies must have a Best rating of at least "B+" or, if not subject to Best rating, must be of financial strength comparable to that required for a Best "B+" rating. All policies carried in accordance with this paragraph during the term of this Sublease Agreement shall (i) name Sublessor as loss payee, as its interest may appear, (ii) provide that no cancellation (including for nonpayment of premium) or material change of coverage be effective until at least 30 days after notice thereof has been mailed to Sublessor and any other loss payees and (iii) provide that no breach of warranty by Sublessee or other action by Sublessee shall impair the rights of Sublessor.

Section 6.7. Advances. In the event Sublessee shall fail to maintain the full insurance coverage required by this Sublease Agreement or shall fail to keep the Equipment in good repair and operating condition, Sublessor or its nominee may (but shall be under no obligation to) purchase the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by Sublessor or its nominee shall become additional rent for the Municipal Sublease Term, which amounts (together with interest thereon at the lesser rate of eighteen percent (18%) per annum or the maximum amount permitted by law) Sublessee agrees to pay on demand.

Section 6.8. Certificates, Etc. Sublessee will during the Municipal Sublease Term and the storage period referred to in Section 13.1 furnish to the Sublessor evidence satisfactory to Sublessor of renewal or replacement of the insurance policies required to be maintained pursuant to this Article VI prior to the cancellation, lapse or expiration of

such insurance policies and, on the renewal dates of the insurance policies carried by Sublessee pursuant to this Article VI, a certificate of Sublessee's insurance broker describing in reasonable detail the insurance carried by Sublessee, and certifying the compliance with this Article VI of such insurance, the primary and excess insurance carriers and their respective percentage interests.

Section 6.9. Additional Insurance. Nothing contained herein shall prevent Sublessee or Sublessor from carrying at its own expense additional insurance in excess of or in addition to that required hereunder; provided that no such insurance may be obtained which would limit or otherwise adversely affect the coverage or payment of any insurance required to be maintained pursuant to this Article VI or prevent the payment of a policy premium which, if not paid by Sublessee, would invalidate such required coverage.

ARTICLE VII

EVENT OF LOSS

Section 7.1. Notice of Damage or Loss; Election. If an Event of Loss occurs with respect to an Item of Equipment, Sublessee shall give the Sublessor prompt written notice thereof and shall, within thirty days after the occurrence of such Event of Loss, elect by written notice to the Sublessor to proceed in accordance with either Section 7.2 or 7.3 (it being understood that if Sublessee fails to give or cause to be given such notice of election within 30 days after the occurrence of such Event of Loss, Sublessee shall be deemed to have elected to proceed in accordance with Section 7.2).

Section 7.2. Payment of Municipal Sublease Stipulated Loss Value. If an Event of Loss with respect to an Item of Equipment shall have occurred and Sublessee shall have elected or been deemed to have elected to proceed in accordance with this Section 7.2, Sublessee shall, on the first Rental Payment Due Date occurring at least 45 days after the occurrence of such Event of Loss, pay to Sublessor for deposit into the Certificate Fund created under the Equipment Trust Agreement an amount equal to the Municipal Sublease Stipulated Loss Value for such Item of Equipment determined as of such Rental Payment Due Date together with all Rental Payments then due pursuant to Section 4.2. Upon the payment of such amount in accordance with the preceding sentence, provided no Default or Event of Default shall have occurred and be continuing, this Sublease Agreement and the Municipal Lease shall terminate with respect to such Item of

Equipment, and the obligations of Sublessee hereunder with respect to such Item of Equipment shall cease. Promptly following any payment of Municipal Sublease Stipulated Loss Value, Schedule A attached hereto shall be amended to reflect that the Rental Payments due on each Rental Payment Due Date occurring thereafter shall be in an amount equal to the principal and interest components due on all Certificates remaining Outstanding on the Interest Payment Date corresponding to such Rental Payment Due Date and Schedule B attached hereto shall be amended if and to the extent necessary to provide that the Municipal Sublease Stipulated Loss Value percentages for each Rental Payment Due Date occurring thereafter shall be that percentage of the aggregate Sublessor's Cost of all Items of Equipment then subject to the Municipal Sublease which would pay the unpaid principal component of all Outstanding Certificates on such Rental Payment Due Date together with the interest component thereof accrued to such Rental Payment Due Date.

Section 7.3. Substitution. (a) If an Event of Loss with respect to an Item of Equipment shall have occurred and Sublessee shall have elected to proceed in accordance with this Section 7.3, Sublessee shall within 60 days after the date of such Event of Loss convey to Sublessor a leasehold interest in substitute mass transit commuting vehicular equipment substantially similar to the Item of Equipment which suffered the Event of Loss and having a Fair Market Sales Value, residual value and estimated useful life at least equal to the Fair Market Sales Value, residual value and estimated useful life of, and being in as good operating condition as, such Item of Equipment immediately prior to the occurrence of such Event of Loss, assuming that such Item of Equipment was at that time in the condition and repair required to be maintained hereunder. The "Fair Market Sales Value" of any Item of Equipment as of any date shall be the cash price that would be obtained in an arm's-length transaction between an informed and willing buyer (including without limitation a lessee currently in possession but not including a used equipment dealer or buyer of scrap) under no compulsion to buy, and an informed and willing seller under no compulsion to sell, but shall not include the cost of removal or delivery of the Equipment. In determining Fair Market Sales Value as provided herein, it shall be assumed that Sublessee has complied with all of the terms, provisions and conditions of this Sublease Agreement, and that the applicable Item of Equipment is in the condition and configuration required upon its return to Sublessor as provided herein. Upon full compliance by Sublessee with the terms of this Section 7.3, the Item of Equipment replaced shall cease to be "Equipment" hereunder, and any equipment substituted for such Item of Equipment pursuant to this Section 7.3 shall

be an "Item of Equipment" deemed to have the Manufacturer's identification number of the replaced Item of Equipment for all purposes of this Sublease Agreement, the Municipal Lease and the Equipment Trust Agreement and shall be subject to the terms and provisions hereof and thereof.

(b) The right of Sublessee to substitute Equipment pursuant to this Section 7.3 shall be subject to the fulfillment of each of the following conditions at or before the time of any such substitution:

(i) Sublessee shall have delivered to Sublessor an Officer's Certificate stating (A) the model numbers of the item or items, as the case may be, of such substitute equipment (the "Substitute Equipment") and the name of the manufacturer thereof; (B) that the Substitute Equipment is in good operating condition and repair, is of a type substantially similar to the Item of Equipment replaced and meets the applicable Fair Market Sales Value, residual value, estimated useful life and other requirements therefor of Section 7.3(a); (C) that there exists no Municipal Sublease Default or Event of Municipal Sublease Default; (D) that upon substitution pursuant to the terms of this Sublease Agreement either Sublessee or DBX will have valid and legal title to such Substitute Equipment, free and clear of all Liens other than Permitted Liens and Sublessor will have a valid and legal leasehold interest therein under the Municipal Lease; and (E) that all necessary Governmental Approvals are in full force and effect and constitute sufficient authorization for the contemplated substitution;

(ii) A full warranty bill of sale with respect to the Substitute Equipment naming either Sublessee or DBX as owner of the Substitute Equipment and otherwise satisfactory to Sublessor shall have been delivered to Sublessor;

(iii) A supplement to the Municipal Lease and this Sublease Agreement shall have been executed and delivered;

(iv) A certificate of an independent appraiser satisfactory to Sublessor, which certificate shall state (A) the Fair Market Sales Value, residual value and estimated useful life of the Item of Equipment replaced immediately preceding the occurrence of the Event of Loss, assuming that such Item of Equipment at such time had been maintained in the condition and repair required by this Sublease Agreement and (B) the Fair Market Sales

Value, residual value and estimated useful life of the Substitute Equipment shall have been delivered to Sublessor;

(v) A written report of a recognized insurance broker confirming the maintenance of insurance with respect to the Substitute Equipment complying with Section 6.6 shall have been delivered to Sublessor;

(vi) An assignment to Sublessor of all assignable rights, warranties and representations of the manufacturer with respect to the Substitute Equipment, which assignment shall be acceptable to Sublessor, shall have been delivered to Sublessor;

(vii) Sublessor shall have received satisfactory evidence that the filings required by Section 8.1(b) of the DBX Purchase Agreement have been made; and

(viii) If DBX shall have title to the Substitute Equipment, Sublessor shall have received satisfactory evidence that such Substitute Equipment is subject to the power of sale granted under the DBX Purchase Agreement.

ARTICLE VIII

APPLICATION OF PROCEEDS

Section 8.1. Application of Insurance Proceeds in an Event of Loss. Subject to the provisions of Section 8.4, it is agreed that all insurance payments received as the result of the occurrence of an Event of Loss with respect to an Item of Equipment will be applied as follows:

(a) Unless such Items of Equipment are replaced pursuant to Section 7.3, so much of such payments as shall not exceed the amounts due under Section 7.2 shall be applied in reduction of Sublessee's obligation to pay such amounts, if not already paid by Sublessee, or, if already paid by the Sublessee, shall be applied to reimburse Sublessee for its payments of such amounts, and the balance, if any, of such payments remaining thereafter will be paid to Sublessee or as Sublessee may direct.

(b) If such Items of Equipment are replaced pursuant to Section 7.3, such payments shall be paid over to or retained by Sublessee, provided that

Sublessee shall have fully performed or will fully perform the terms of Section 7.3.

Section 8.2. Application of Insurance Proceeds in a Casualty not Constituting an Event of Loss. The insurance proceeds attributable to any property damage to any Item of Equipment not constituting an Event of Loss will be applied in payment of, or to reimburse the Sublessee for, repairs or the cost of replacement property in accordance with the terms of Article VI, and, subject to Section 8.3, any balance remaining after compliance with Article VI with respect to such loss shall be paid to, or retained by, Sublessee.

Section 8.3. Application of Payments from Governmental Authorities. Any payments other than insurance proceeds received at any time by DBX, Sublessor or Sublessee from any Governmental Authority or other Person with respect to an Event of Loss resulting from the condemnation, confiscation, theft, disappearance or seizure of, or requisition of title to or use of any Item of Equipment shall be applied as follows:

(a) Unless such Items of Equipment are substituted for in accordance with Section 7.3, so much of such payments as shall not exceed the amounts due under Section 7.2 shall be applied in reduction of Sublessee's obligation to pay such amounts, if not already paid by Sublessee, or, if already paid by Sublessee, shall be applied to reimburse Sublessee for its payment of such amounts, and the balance, if any, of such payment remaining thereafter will be paid over to or retained by Sublessee or as Sublessee may direct.

(b) If such Items of Equipment have been substituted for in accordance with Section 7.3, such payments shall be paid over to or retained by Sublessee.

Section 8.4. Application During Existence of Municipal Sublease Default or Event of Municipal Sublease Default. Notwithstanding anything contained in this Sublease Agreement to the contrary, any amount referred to in Sections 8.1, 8.2 or 8.3 as payable to Sublessee shall not be paid to Sublessee or, if it has been previously paid to Sublessee, shall be paid promptly by Sublessee to Sublessor, if at the time that such payment was made or was to have been made a Default or Event of Default shall have occurred and be continuing. In such event, all such amounts shall be paid to and held by Sublessor as security for the obligations of Sublessee hereunder or, at Sublessor's option, applied by Sublessor toward payment of any of such obligation at the time due. At such time as there shall not be continuing any

Municipal Sublease Default or Event of Municipal Sublease Default, all such amounts held by Sublessor in excess of the amount, if any, which Sublessor shall have elected to apply as above provided shall be paid to Sublessee or as Sublessee may direct.

ARTICLE IX

LIENS

Sublessee will not directly or indirectly create, incur, assume or suffer to exist any Lien other than Permitted Liens on or with respect to any Item of Equipment or any Part, title thereto or any interest therein or in this Sublease Agreement or the Rental Payments or any other payments provided for hereunder. Sublessee at no expense to Sublessor will promptly take such action as may be necessary duly to discharge any Lien not excepted above if the same shall arise at any time.

ARTICLE X

ASSIGNMENT, RESUBLEASING, INDEMNIFICATION AND SELLING

Section 10.1. Assignment and Resubleasing. This Sublease Agreement may be assigned and any Item of Equipment may be resubleased, as a whole or in part, by Sublessee without the necessity of obtaining the consent of Sublessor, subject, however, to each of the following conditions:

(a) Sublessee shall continue to be primarily liable for payment of the Rental Payments and for performance and observance of the other agreements on its part herein provided to be performed and observed by it to the same extent as though no assignment had been made.

(b) The assignee or resublessee shall assume the obligations of Sublessee hereunder to the extent of the interest assigned or resubleased.

(c) Sublessee shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to Sublessor a true and complete copy of each assignment, assumption of obligation or resublease, as the case may be.

(d) Such assignment, assumption of obligation or resublease, as the case may be, shall not adversely affect the exclusion from gross income for Federal income tax

purposes of the interest component of the Rental Payments and Sublessee shall furnish or cause to be furnished to Sublessor an opinion of Special Counsel to that effect.

Section 10.2. Release and Indemnification Covenants. To the extent permitted by law, Sublessee shall indemnify, protect, hold harmless, save and keep harmless Sublessor, ETA Trustee, each Owner and their respective successors and assigns, from and against any and all Taxes, liabilities, obligations, losses, claims and damages whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest arising out of or as the result of: the entering into of this Sublease Agreement, the Municipal Lease and the Equipment Trust Agreement; the ownership of any Item of Equipment; the ordering, acquisition, use, operation, condition, purchase, delivery, acceptance, rejection, storage, sale, disposition or return of any Item of Equipment; claims based on breach of any purchase agreement for the Equipment; claims based upon strict liability in tort; and any claims based upon patent, trademark or copyright infringement. The indemnification arising under this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Sublease Agreement or other termination or expiration of the Municipal Sublease Term.

Section 10.3. [Reserved]

Section 10.4. Assignment by Sublessor. Sublessor will not assign this Sublease Agreement nor sublease, sell, assign, transfer or convey the Equipment or its interest therein, as a whole or in part other than in connection with the issuance of the Certificates.

ARTICLE XI

EVENTS OF DEFAULT AND REMEDIES

Section 11.1. Events of Default and Default Defined. A "Default" hereunder is any event which, with notice or the passage of time or both, would become an "Event of Default". The following shall be "Events of Default" under this Sublease Agreement and the term "Event of Default" shall mean, whenever used in this Sublease Agreement, any one or more of the following events:

(a) Failure by Sublessee to pay, for a reason other than an Event of Nonappropriation, the Rental Payments

required to be paid pursuant to Section 4.2 hereof or Article XII hereof at the time specified therein; or

(b) Failure by Sublessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in Section 11.1(a) for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, shall have been given to Sublessee by Sublessor, unless Sublessor shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Sublessor shall be deemed to have agreed to an extension of such time if corrective action is instituted by Sublessee within the applicable period and is being diligently pursued; or

(c) Proceedings under any bankruptcy, insolvency, reorganization or similar law shall be instituted by or against Sublessee, or a receiver, custodian or similar officer shall be appointed for Sublessee or any of its property, and such proceedings or appointments shall be consented to by Sublessee or shall not be vacated or fully stayed within 20 days after the institution or occurrence thereof; or

(d) Any warranty, representation or statement made by Sublessee is incorrect or misleading in any material respect on the date made; or

(e) insurance on the Equipment shall not be carried or maintained in compliance with Section 6.6 hereof or such insurance is cancelled (and not previously or contemporaneously replaced) for any reason whatsoever, or any Item of Equipment shall be operated or located in any area or on any route or in any manner excluded from coverage by any insurance required by Section 6.6 hereof.

The foregoing provisions of this Section are subject to the following limitation: If by reason of force majeure, Sublessee is unable in whole or in part to carry out its agreements herein contained, other than the obligations on the part of Sublessee contained in Section 4.2 hereof, Sublessee shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or of the Commonwealth or any of their departments, agencies or officials (other than orders and restraints of the MBTA, or of the Commonwealth

related to its obligations under the Contract for Financial Assistance or Sections 12, 13 and 28 of the Act), or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of Sublessee. Sublessee agrees, however, to remedy with all reasonable dispatch the cause or causes preventing it from carrying out its agreements; provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of Sublessee, and Sublessee shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of Sublessee unfavorable to it.

Section 11.2. Remedies on Municipal Sublease Event of Default or Event of Nonappropriation. (a) Whenever any Municipal Sublease Event of Default shall have occurred and be subsisting, Sublessor may take any action at law or in equity to collect any payments then due or thereafter to become due under this Sublease Agreement or to enforce performance and observance of any obligation, agreement or covenant of Sublessee under this Sublease Agreement, including the following: (i) by written notice to Sublessee, declare an amount equal to all amounts then due under the Sublease Agreement and all remaining Rental Payments to be immediately due and payable and such amount shall become due and payable provided that such obligation shall be subject to the condition that an Appropriation shall have occurred with respect thereto; and (ii) by written notice to Sublessee, terminate this Sublease Agreement and require Sublessee to return promptly the Equipment to Sublessor in accordance with Article XIV hereof or the Sublessor, at its option, may take possession of and remove the Equipment.

Any amounts collected by Sublessor as a result of action taken under this Section 11.2(a) shall be paid into the Certificate Fund and applied in accordance with Section 7.1(a) of the Equipment Trust Agreement.

(b) Upon the occurrence of an Event of Nonappropriation or Event of Default described in Section 11.1(a) hereof or upon the election by Sublessor to exercise remedies which deprive Sublessee of the quiet enjoyment of the Equipment, Sublessor may exercise its power of sale granted in the Equipment Trust Agreement, its power of sale granted in the DBX Purchase Agreement or its purchase option granted in the Municipal Lease, as applicable, and sell the

Equipment and, in the event of such sale, shall apply the proceeds of sale as set forth in Section 7.1(b) of the Equipment Trust Agreement.

Section 11.3. No Remedy Exclusive. The remedies herein conferred upon and reserved to Sublessor are not intended to be exclusive of any other available remedy or remedies which Sublessor may have at law or in equity, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Sublease Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Municipal Sublease Default or Municipal Sublease Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Sublessor to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article. The Owners, subject to the provisions of the Equipment Trust Agreement, shall be entitled to the benefit of all covenants and agreements herein contained.

Section 11.4. Agreement to Pay Attorneys' Fees and Expenses. In the event Sublessee should default under any of the provisions of this Sublease Agreement and Sublessor should employ attorneys or incur other reasonable expenses for the collection of Rental Payments or the enforcement of performance or observance of any obligation or agreement on the part of Sublessee herein contained, Sublessee, on demand therefor, shall pay to Sublessor the reasonable fees of such attorneys and such other expenses so incurred by Sublessor.

Section 11.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Sublease Agreement should be breached by any party and thereafter waived by the other parties, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 11.6. Termination of Sublease Agreement. Unless earlier terminated in accordance with Section 11.2 hereof, upon payment in full of the Certificates (or provision for payment thereof having been made in accordance with Section 13.9 of the Equipment Trust Agreement) and other obligations of Sublessee hereunder, this Sublease Agreement shall terminate and Sublessee shall be relieved of any further liabilities hereunder.

ARTICLE XII

PREPAYMENT OF RENTAL PAYMENTS

Section 12.1. Prepayment of Rental Payments. Sublessee shall have and is hereby granted the option exercisable on December 22, 2006 and on any Rental Payment Due Date thereafter to prepay all or any portion of Rental Payments due or to become due hereunder.

Section 12.2. Amount and Notice of Prepayment. In order to make a prepayment of Rental Payments as permitted by Section 12.1 hereof, Sublessee shall give Sublessor written notice (a) by October 20, 2006 of its intention to exercise its option to prepay on December 22, 2006 or (b) not less than fifty-five (55) days prior to any Interest Payment Date thereafter on which Sublessee intends to exercise its option to prepay of such intention. Such notice shall set forth the amount of Rental Payments Sublessee intends to prepay (the "Prepayment Amount") and shall direct the Sublessor to call for redemption Certificates in authorized denominations in the greatest aggregate principal amount for which the Prepayment Amount will be sufficient to redeem such Certificates in accordance with the terms of the Equipment Trust Agreement. On the date of any such prepayment, Sublessee shall pay to Sublessor for deposit into the Certificate Fund the Prepayment Amount plus all other accrued and unpaid amounts due and owing by Sublessee to Sublessor hereunder and under the Equipment Trust Agreement as of the date of such prepayment. Promptly following any prepayment of Rental Payments, Schedule A attached hereto shall be amended to reflect that the Rental Payments due on each Rental Payment Due Date occurring thereafter shall be in an amount equal to the principal and interest components due on all Certificates remaining Outstanding on the Interest Payment Date corresponding to such Rental Payment Due Date and Schedule B attached hereto shall be amended to provide that the Municipal Sublease Stipulated Loss Value percentages for each Rental Payment Due Date occurring thereafter shall be that percentage of the aggregate Sublessor's Cost of all Items of Equipment then subject to the Municipal Sublease which would pay the unpaid principal component of all Outstanding Certificates on such Rental Payment Due Date together with the interest component of all Outstanding Certificates accrued to such Rental Payment Due Date.

ARTICLE XIII

OPTION TO PURCHASE

Provided that Sublessee is not then in Default hereunder, at Sublessee's option, exercisable at any time following the exercise by Sublessor of its Purchase option granted under Article VI of the Municipal Lease, title to the Equipment will be transferred by Sublessor to Sublessee at the expiration or termination of this Sublease Agreement for a consideration of one dollar (\$1.00) (but not in the event of a termination caused by an Municipal Sublease Event of Default or Event of Nonappropriation).

ARTICLE XIV

RETURN

Section 14.1. Obligation to Return. Upon receipt of notice from Sublessor in accordance with clause (ii) of Section 11.2(a) hereof Sublessee shall, at its own risk and expense, return the Equipment to Sublessor at storage facilities of Sublessee, which storage facilities shall be designated by Sublessee and reasonably satisfactory to Sublessor solely at Sublessee's risk and at no expense to Sublessor. Ninety (90) days following receipt by Sublessee of the notice described above, the risk and expense associated with such storage shall be borne by Sublessor.

Section 14.2. Logs and Other Records. Upon return of the Equipment as provided herein, Sublessee shall deliver to Sublessor all logs, manuals, certificates, and other data, and all inspection, modification and overhaul records which have been maintained with respect to such Equipment.

Section 14.3. Condition Upon Return. Upon return pursuant to the terms hereof, the Equipment (i) shall be in good operating condition and commercially usable by other commuter rail operators, ordinary wear and tear excepted, (ii) shall be in the configuration and condition required by Article VI, (iii) shall meet the applicable standards then in effect under the Interchange Rules of the Association of American Railroads and the applicable rules of any Governmental Authority and (iv) shall be free and clear of all Liens other than Lessor Liens.

Section 14.4. Repairs. Subject to and without diminution of the Sublessee's obligations under Section 14.1 or any other provision of this Sublease Agreement, upon termination or expiration of this Sublease Agreement and

prior to the later of the return of such stored Item of Equipment or the expiration pursuant to Section 14.1 of any period during which such Item of Equipment is stored, Sublessee shall, upon Sublessor's written request, perform such maintenance or repairs to the Equipment as Sublessor may reasonably request, to the extent reasonably possible without disruption to Sublessee's normal operations; provided, however, that the foregoing shall not be construed to extend Sublessee's storage obligation beyond the period referred to in Section 14.1. Sublessor shall reimburse Sublessee for work performed under this Section 14.4 at reasonable rates.

ARTICLE XV

MISCELLANEOUS

Section 15.1. Performance of Sublessor. Sublessor shall not be obligated to take any action or execute any instrument pursuant to any provision hereof until it shall have been requested to do so by Sublessee or shall have received the instrument to be executed and at Sublessor's option shall have received from Sublessee assurance satisfactory to Sublessor that Sublessor shall be reimbursed for its reasonable expenses (other than expenses to be borne by Sublessor under Section 14.1 hereof) incurred or to be incurred in connection with taking such action or executing such instrument.

Section 15.2. Notices. All notices, offers, instructions, acceptances, approvals, waivers, requests, demands and other communications required or permitted hereunder to be given to or made upon any party hereto or under any instrument, certificate or other document delivered in connection with the transactions described herein shall be considered as properly given (a) if delivered in person, (b) if sent by an overnight delivery service which provides signed acknowledgements of receipt, (c) if mailed by first class United States mail, postage prepaid, registered or certified with return receipt requested or (d) if sent by prepaid Telex, TWX or telegram (with messenger delivery specified in the case of a telegram) or by telecopier and, in each such case, confirmed by telephone. Communications so mailed shall be effective upon the expiration of five (5) Business Days after deposit. Communications given in any other manner shall be effective upon receipt by the addressee; provided, however, that if any communication is tendered to an addressee and the delivery thereof is refused by such addressee, such communication shall be effective upon the tender. For the purposes of communications the addresses of the parties shall be as set forth below; provided,

however, that any party shall have the right to change its address for communication hereunder to any other location by giving thirty (30) days notice to the other party in the manner set forth hereinabove. The initial addresses of the parties hereto are as follows:

If to MBTA:

Massachusetts Bay Transportation Authority
Transportation Building
Ten Park Plaza
Boston, Massachusetts 02116
Attn: Treasurer
Telex:
Telecopier: (617) 722-5368

If to Lessee:

The Connecticut National Bank
777 Main Street
Hartford, Connecticut 06115
Attn: Corporate Trust Administration
Telex: 99339
Telecopier: (203) 240-7920

In each case with a copy to:

Dewey, Ballantine, Bushby, Palmer & Wood
140 Broadway
New York, New York 10005

Section 15.3. Binding Effect. This Sublease Agreement shall inure to the benefit of and shall be binding upon Sublessor, Sublessee and their respective successors and assigns, subject, however, to the limitations contained in Sections 10.1 and 10.4 hereof.

Section 15.4. Severability. In the event any, provision of this Sublease Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 15.5. Amendments, Changes and Modifications. This Sublease Agreement may not be amended, changed, modified, altered or terminated except in accordance with the Equipment Trust Agreement.

Section 15.6. Execution in Counterparts. This Sublease Agreement may be executed in several counterparts,

each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 15.7. Applicable Law. This Sublease Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Massachusetts.

Section 15.8. Captions. The captions or headings in this Sublease Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Sublease Agreement.

Section 15.9. Continuing Obligation. If Sublessee should fail to make any of the payments required in this Sublease Agreement the item or installment so in default shall continue as an obligation of Sublessee until the amount in default shall have been fully paid.

IN WITNESS WHEREOF, Sublessor and Sublessee have caused this Sublease Agreement to be executed in their respective corporate names and their respective corporate seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.

[SEAL]

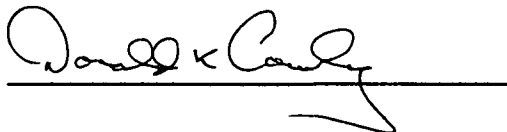
THE CONNECTICUT NATIONAL BANK,
not in its individual capacity
but solely as trustee

Attest:

By:



Authorized Officer

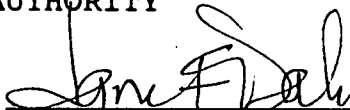


[SEAL]

MASSACHUSETTS BAY TRANSPORTATION
AUTHORITY

Attest:

By:

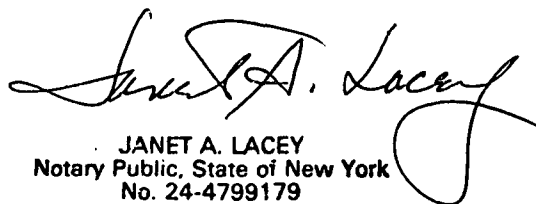


Deputy General Manager



Approved as to Form for
Massachusetts Bay Transportation
Authority

By:


General Counsel

JANET A. LACEY
Notary Public, State of New York
No. 24-4799179
Qualified in Kings County
Commission Expires March 30, 1989

7/31/89

State of New York

ss:

County of New York

On this 15th day of December, 1988 before me personally appeared, Frank McDonald, to me personally known, who being by me duly sworn, says that (s)he is the Authorized Officer of The Connecticut National Bank, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Seal]

Janet A. Lacey
Signature of Notary Public

JANET A. LACEY
Notary Public, State of New York
No. 24-4799179
Qualified in Kings County
Commission Expires March 30, 1989

7/31

State of New York

SS:

County of New York

On this 15th day of December, 1988 before me personally appeared, Jane F. Daly, to me personally known, who being by me duly sworn, says that (s)he is the Deputy General Manager of Massachusetts Bay Transportation Authority, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Seal]

Janet A. Lacey
Signature of Notary Public

JANET A. LACEY
Notary Public, State of New York
No. 24-4799179
Qualified in Kings County
Commission Expires March 30, 1989

7/31

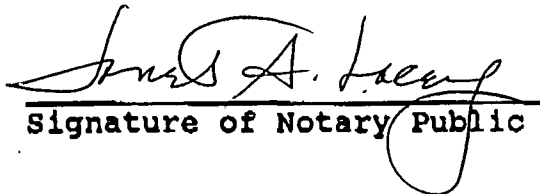
State of New York

SS:

County of New York

On this 15th day of December, 1988 before me personally appeared, Gregory C. Flynn, to me personally known, who being by me duly sworn, says that (s)he is the General Counsel of Massachusetts Bay Transportation Authority, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Seal]


Signature of Notary Public

JANET A. LACEY
Notary Public, State of New York
No. 24-4799179
Qualified in Kings County
Commission Expires March 30, 1989
7/31

SCHEDULE A TO SUBLEASE AGREEMENT

RENTAL PAYMENTS

<u>Rental Payment Due Date</u>	<u>Rental Payment</u>	<u>Amount Attributable to Principal</u>	<u>Amount Attributable to Interest</u>
7/15/89	\$1,235,660.42	\$ -0-	\$1,235,660.42
1/15/90	2,209,137.50	1,150,000	1,059,137.50
7/15/90	1,022,912.50	-0-	1,022,912.50
1/15/91	2,172,912.50	1,150,000	1,022,912.50
7/15/91	985,537.50	-0-	985,537.50
1/15/92	2,135,537.50	1,150,000	985,537.50
7/15/92	947,012.50	-0-	947,012.50
1/15/93	2,097,012.50	1,150,000	947,012.50
7/15/93	907,912.50	-0-	907,912.50
1/15/94	2,057,912.50	1,150,000	907,912.50
7/15/94	868,237.50	-0-	868,237.50
1/15/95	2,018,237.50	1,150,000	868,237.50
7/15/95	827,987.50	-0-	827,987.50
1/15/96	1,977,987.50	1,150,000	827,987.50
7/15/96	787,162.50	-0-	787,162.50
1/15/97	1,937,162.50	1,150,000	787,162.50
7/15/97	745,762.50	-0-	745,762.50
1/15/98	1,895,762.50	1,150,000	745,762.50
7/15/98	703,787.50	-0-	703,787.50
1/15/99	1,853,787.50	1,150,000	703,787.50
7/15/99	661,237.50	-0-	661,237.50
1/15/00	1,811,237.50	1,150,000	661,237.50
7/15/00	618,112.50	-0-	618,112.50

Sublessor's InitialsSublessee's Initials

SCHEDULE A TO SUBLEASE AGREEMENT

RENTAL PAYMENTS

<u>Rental Payment Due Date</u>	<u>Rental Payment</u>	<u>Amount Attributable to Principal</u>	<u>Amount Attributable to Interest</u>
1/15/01	\$1,768,112.50	\$1,150,000	\$ 618,112.50
7/15/01	574,412.50	-0-	574,412.50
1/15/02	1,714,412.50	1,140,000	574,412.50
7/15/02	530,237.50	-0-	530,237.50
1/15/03	1,670,237.50	1,140,000	530,237.50
7/15/03	486,062.50	-0-	486,062.50
1/15/04	1,626,062.50	1,140,000	486,062.50
7/15/04	441,887.50	-0-	441,887.50
1/15/05	1,576,887.50	1,135,000	441,887.50
7/15/05	397,906.25	-0-	397,906.25
1/15/06	1,532,906.25	1,135,000	397,906.25
7/15/06	353,925.00	-0-	353,925.00
1/15/07	1,488,925.00	1,135,000	353,925.00
7/15/07	309,660.00	-0-	309,660.00
1/15/08	1,444,660.00	1,135,000	309,660.00
7/15/08	265,395.00	-0-	265,395.00
1/15/09	1,400,395.00	1,135,000	265,395.00
7/15/09	221,130.00	-0-	221,130.00
1/15/10	1,356,130.00	1,135,000	221,130.00
7/15/10	176,865.00	-0-	176,865.00
1/15/11	1,311,865.00	1,135,000	176,865.00
7/15/11	132,600.00	-0-	132,600.00
1/15/12	1,267,600.00	1,135,000	132,600.00
7/15/12	88,335.00	-0-	88,335.00
1/15/13	1,223,335.00	1,135,000	88,335.00
7/15/13	44,070.00	-0-	44,070.00
1/15/14	1,174,070.00	1,130,000	44,070.00

Sublessor's Initials

Sublessee's Initials

SCHEDULE B TO SUBLEASE AGREEMENT

MUNICIPAL SUBLEASE STIPULATED LOSS VALUES

<u>Municipal Sublease Stipulated Loss Value Date</u>	<u>SLV Percentage</u>
1/15/89	100.00000%
7/15/89	100.00000
1/15/90	95.97409
7/15/90	95.97409
1/15/91	91.94819
7/15/91	91.94819
1/15/92	87.92228
7/15/92	87.92228
1/15/93	83.89638
7/15/93	83.89638
1/15/94	79.87047
7/15/94	79.87047
1/15/95	75.84457
7/15/95	75.84457
1/15/96	71.81866
7/15/96	71.81866
1/15/97	67.79275
7/15/97	67.79275
1/15/98	63.76685
7/15/98	63.76685
1/15/99	59.74094
7/15/99	59.74094
1/15/00	55.71504
7/15/00	55.71504

Sublessor's Initials

Sublessee's Initials

SCHEDULE B TO SUBLEASE AGREEMENT

MUNICIPAL SUBLEASE STIPULATED LOSS VALUES

Municipal
Sublease
Stipulated
Loss Value
Date

SLV
Percentage

1/15/01	51.68913%
7/15/01	51.68913
1/15/02	47.69823
7/15/02	47.69823
1/15/03	43.70733
7/15/03	43.70733
1/15/04	39.71644
7/15/04	39.71644
1/15/05	35.74304
7/15/05	35.74304
1/15/06	31.76965
7/15/06	31.76965
1/15/07	27.79625
7/15/07	27.79625
1/15/08	23.82286
7/15/08	23.82286
1/15/09	19.84947
7/15/09	19.84947
1/15/10	15.87607
7/15/10	15.87607
1/15/11	11.90268
7/15/11	11.90268
1/15/12	7.92928
7/15/12	7.92928
1/15/13	3.95589
7/15/13	3.95589
1/15/14	0.00000

Sublessor's Initials

Sublessee's Initials

[MUNICIPAL SUBLEASE]

SCHEDULE C TO SUBLEASE AGREEMENT

SUBLESSOR'S COST

<u>Manufacturer's Identification Number</u>	<u>Sublessor's Cost</u>
02-142	\$878,333.47
02-143	878,333.47
02-144	878,333.47
02-145	878,333.47
02-146	878,333.47
02-147	878,333.47
02-148	878,333.47
02-149	878,333.47
02-150	878,333.47
02-151	878,333.47
02-152	878,333.47
02-153	878,333.47
02-154	878,333.47
02-155	878,333.47
02-156	878,333.47
02-125	1,025,999.87
02-126	1,025,999.87
02-127	1,025,999.87
02-128	1,025,999.87
02-129	1,025,999.87
02-130	1,025,999.87
02-131	1,025,999.87
02-132	1,025,999.87
02-133	1,025,999.87
02-134	1,025,999.87
02-135	1,025,999.87
02-136	1,025,999.87
02-137	1,025,999.87
02-138	1,025,999.87
02-139	1,025,999.87

Sublessor's Initials

Sublessee's Initials